



Indiana Department of Education

SUPPORTING STUDENT SUCCESS

MEMORANDUM

TO: School Superintendents, Charter School Sponsors, and School Business Managers

FROM: Melissa K. Ambre, Director
Office of School Finance

DATE: April 23, 2010

SUBJECT: Legislative Update- P.L. 30-2010 and P.L. 109-2010

The following is intended to provide a brief overview of legislation passed in during the 2010 Session of the Indiana General Assembly. A full version of the bills can be found on www.in.gov/apps/lsa/session/billwatch/billinfo under bills and resolutions for the 2010 session.

P.L. 30-2010 (SEA252) Transfer Tuition

IC 20-26-11-6(b), amended and effective July 1, 2010. Allows a school corporation to accept a transfer student regardless of whether as a condition of the transfer, the transferee school requires the requesting parents to pay transfer tuition in an amount determined under the formula.

IC 20-26-11-6(d), amended and effective July 1, 2010. Failure to pay a tuition installment that is agreed to by the parents or student and the transferee school corporation is a ground for exclusion from the school.

IC 20-26-11-6(e), added and effective July 1, 2010. States that if the transferee school corporation elects not to charge transfer tuition to the parents or student under this law, it may not charge transfer tuition or fees to the transferor school.

P.L. 109-2010 (HEA1367) Education

IC 20-40-16, new and effective July 1, 2010. School fund transfers

- “Capital projects fund levy”, with respect to a particular school corporation, means the maximum levy that the school corporation could impose in calendar year 2010 under IC 20-46-6-5 for the school corporation’s capital projects fund.
- Allows the governing body of a school corporation to adopt a resolution to transfer money between funds held by the school corporation in the 2010-2011 school year to preserve and protect instructional programs.
- Limits the total amount that may be transferred in the 2010-2011 school year to 5% or 10% of the school corporation’s capital projects levy under IC 20-46-6-5, based on whether the

governing body authorizes a resolution certifying that the employees of the school will not receive a general wage and salary increase for the 2010-2011 school year.

- Defines wage and salary increase for purposes of the statute.
- For transfers made during the 2010-2011 school year, outlines the reporting requirements to the Department of Education before October 1, 2011.
- Excludes transfers from the debt service and racial balance fund.
- Requires transfers to occur before July 1, 2011.
- Allows the governing body and an exclusive representative to mutually agree to forego wage/salary increases that would otherwise be required under IC 20-28-9 for the 2010-2011 school year.

IC 20-42.5-4, new and effective upon passage. Requires school corporations to take actions necessary and desirable to preserve and protect instructional programs, including class sizes, curriculum, or program offerings.

IC 20-43-12-2, amended and effective January 1, 2010 (retroactive). Modifies the calculation used to determine the Restoration Grant in the school funding formula. Makes the change effective for 2010 and 2011.

Non-code, effective January 1, 2010 (retroactive). Restoration Grant calculation changes for 2010 and 2011 are applied before making any reduction in tuition support under IC 4-13-2-18, IC 20-43-2-3, and IC 20-43-2-4, or another law.

Non-code, effective upon passage. Allows school corporations to adopt a resolution to transfer funds under IC 20-40-16 before July 1, 2010 even though the language for a transfer of funds has an effective date of July 1, 2010.

Points of clarification regarding P.L. 109-2010

1. "CPF levy" for purposes of determining the maximum amount of the capital projects fund levy that may be transferred under IC 20-40-16, excludes any additional levy for insurance or utilities.
2. School corporations can transfer from any funds legally available, except debt service and the racial balance funds.

Attached is a sample transfer resolution and report that may be used by school corporations. Questions regarding this memorandum may be directed to Melissa Ambre at mambre@doe.in.gov

RESOLUTION TO TRANSFER BETWEEN FUNDS

This resolution is adopted by the Board of Trustees of _____
(School Corporation)
of _____, Indiana.
(County)

Whereas, P.L. 109-210, authorizes a governing body to transfer money during the 2010-2011 school year to one (1) or more funds held by the school corporation for the purpose of the funds from any fund held by the school corporation, other than the debt service or racial balance fund.

Whereas, the governing body of _____ certifies the employees of said school corporation will / will not receive a general salary/wage increase for the 2010-2011 school year;

Whereas the governing body authorizes that a transfer of _____% of the school corporation's capital projects fund levy in CY _____ under IC 20-46-6-5, transferred from the following funds:

From _____ fund to _____ in the amount of \$ _____

From _____ fund to _____ in the amount of \$ _____

From _____ fund to _____ in the amount of \$ _____

From _____ fund to _____ in the amount of \$ _____

From _____ fund to _____ in the amount of \$ _____

From _____ fund to _____ in the amount of \$ _____

BE IT FURTHER RESOLVED that the governing body shall submit a certified copy of this resolution (including the required report) to the Department of Education as required by IC 20-40-16.

Adopted this _____ day of _____, 20_____.

AYE

NAY

Attest: _____, Secretary of Board of Trustees

Report of the Transfer of Funds

Corp. No. _____

Corp. Name: _____

The total amount transferred between funds: \$ _____

The amount transferred to and from each fund includes: (please list all funds from which a transfer was made or received and the amount).

The purpose of the transfers was:

The impact of the transfer to the programs that are supported by the fund from which the transfer was made:

Dated this _____ day of _____, 20 ____.

(Superintendent)

The resolution and report must be filed with the Department of Education, Office of School Finance, Attn: Melissa Ambre, 151 W. Ohio Street, Indianapolis, IN 46204.